

Defend Council Housing

CONFERENCE STATEMENT 2010

THE ECONOMIC CRISIS AND OUR determined and ongoing campaign over 13 years has forced a real shift in government policy. We have won the first, though still small, council house building programme for many years. Our campaign has forced government to introduce legally binding guidelines for transfer ballots; and Minister John Healey announced a partial moratorium on further large-scale transfer in December '09. Funding for energy efficiency in council housing will now come from energy companies, not, as government previously threatened, out of our rents.

Most importantly, the government has undertaken the long-promised Review of Council Housing Finance with a commitment "to ensure that we have a sustainable, long term system for financing council housing". The Review reported in July 2009 and government now admit they underfund the maintenance of our homes by at least 54% (capital) and 10% (management and maintenance).

However they have not yet backed this up with serious financial reforms. Proposed increases in funding allowances are only 24% (capital) and 5% (management & maintenance). This has strings attached – councils becoming self-financing. Extra capital grants to meet backlog have been promised but with no details; no council should accept a settlement without concrete details of capital funding.

The National Audit Office warned Ministers in January 2010 they "should consider as a priority how to appropriately fund housing repairs so...

another backlog [is] avoided".

The proposal that each authority 'opts out' and takes responsibility for managing a 30 year business plan, carries real risks for tenants and the workforce. A sustainable settlement must include binding guidelines for a strict ring-fence, so that councils cannot rob tenants' rents to subsidise council-tax payers. The present economic downturn and rapidly changing interest rates and inflation is a stark warning of how easy it would be for 'opted out' councils to get into financial crisis.

Tenants and councillors have refused to be bullied in the past into stock transfer, and we have pushed government this far. We won't be bullied now by being told a self-financing settlement is the 'only option'.

We need an end to the 'robbery' of tenants' rents, we need to ensure that each authority receives a level of allowances sufficient to manage, maintain and repair its homes, and we need long term funding which avoids the risks of individual Housing Revenue Accounts going bankrupt.

In a stock transfer the 'historic debt' on council housing is taken over by government – in order to give us the real 'level playing field' promised, debt must be written off, not increased. We shouldn't have to pay for the historic debt: council housing is a public asset; past robbery already totals more than enough to pay off the debt and meet the investment backlog; and government does not attempt to recover public subsidy on housing from other tenures.

The so-called Third Sector is not a

credible alternative. It has taken billions in public subsidies over the last twenty years but failed to deliver secure affordable homes for rent to meet local need. RSL rents are considerably higher than council rents, they offer less security and are totally unaccountable.

RSLs are increasingly multi billion pound regional or national companies. Their dependence on the private market means their business model is coming apart at the seams, and their response is a move into bond issues and 'for profit' partner deals. More are expected to merge/get taken over, and some are expected to fail.

This is not a criticism of many committed housing professionals who work in the sector but an objective assessment that the political and economic principles on which RSLs now operate are seriously flawed.

No wonder privatisation is deeply unpopular and 'bad value'. It is a democratic disgrace that government and some councils continue to bully and blackmail tenants to trade our secure tenancies, lower rents and a landlord we can hold to account in exchange for new kitchens and bathrooms.

It's outrageous that councils and government are trying to hijack the principles of the co-operative movement – so-called 'community gateway' is just an alibi for privatisation.

It is welcome that the government is at last to stop subsidising councils to transfer their stock. However, eight councils have been exempt from this and are continuing to ballot for transfers; the bribery and blackmail continues in Wales; and there are still subsidies being handed out for partial transfer. It is also wrong that some councils are demolishing or selling off vacant council homes driven by funding need.

Public funds are being poured into subsidies to private developers, lenders and landlords. For example, a new ►

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➤ £1.7 billion was budgeted for refurbishing homes through PFI (the Private Finance Initiative – expensive, slow and risky). This money should be made available for direct investment.

We were right to warn that Arms Length Management Organisations (ALMOs) threatened two-stage privatisation: four ALMOs are now looking to ballot tenants on transfer. But three other ALMOs are being wound up, bringing council housing back under democratic control. What is most important now is to bring tenants, trade unionists and councillors together from every authority in a united campaign to secure a sustainable financial settlement and organise together to defend our secure tenancies and low rents. These issues unite the council housing family – whether authorities manage their homes directly, through an ALMO (and some with both!)

There is an ever-wider consensus that council housing is essential to meeting soaring housing need. Investment in existing and new homes will create jobs and make best use of public land and resources. The private market cannot provide the homes we need. Lower borrowing and other costs means council housing is cheaper to build, manage and maintain. There is no need to pay for profits, consultants, or fat cat salaries. It is a far less risky strategy than entering into partnerships with private companies (via Local Housing Companies or PFI). Public money and public land should be used to build first class public housing.

Access to Social Housing Grant – previously denied to councils – is welcome, and so is the tiny programme of 4,000 council homes the government has so far delivered, but it is time to turn promises and ‘warm words’ into action. We need serious funding NOW for new council housing with secure tenancies, affordable rents, democratically managed and built to a high standard with real jobs and apprenticeships not cowboy contractors.

Government has promised to end the siphoning off of right-to-buy receipts; this is also welcome. However, the MPs

report Council Housing: Time To Invest showed that £68 billion had been stolen from rents and sales since 1979, much of this by government asking councils to bear the cost of right-to-buy discounts. If the discount was paid for from general taxation (provided council housing was fully funded and the backlog sorted out) this would enable councils to replace stock lost through right-to-buy.

We are committed to defending the principle that council housing should be provided as first class housing available to all who want an alternative to ownership and that our secure tenancies and low rents should be maintained on the current principle of ‘universal provision’ that operates in other public services.

Increasing supply would allow local authorities to open up allocation policies once again to people from all backgrounds and circumstances. It is wrong that so many people who need a secure affordable home are discouraged from joining council waiting lists and fobbed off with a shorthold tenancy in the private rented sector due to the chronic shortage of housing. Re-establishing council housing as a mainstream tenure of choice and offering tenancies to the wide social mix amongst the 1.8 million households on council waiting lists would restore council estates to the mixed communities they used to be.

Years of dogmatic reliance on home-ownership at any cost has led to housing crisis, spiralling personal debt, credit crunch and recession: council housing is the answer to leaving this spiral of boom and bust. At times of economic austerity in the 1930s and 1950s, massive provision of decent, affordable, secure council housing was the key, and it can be once again.

All parties have said they support investment in existing and new council housing. Politicians looking for our votes must listen to our demands: Stop privatisation now, and invest in council housing. Our broad alliance of tenants, trade unionists, councillors and MPs have come this far; we can make the government deliver on its promises. ■



- **Protect existing secure tenancies and low rents**
- **Stop the robbery – reinvest all rents and receipts into council housing**
- **Funding at level of need so every council can deliver and maintain decent homes and estates**
- **Fund the backlog of capital works**
- **Resources to increase the energy efficiency of all council housing**
- **Protect working conditions including pensions, in any self-financing settlement**
- **Use directly-employed building workers and apprentices – no cowboy contractors**
- **A mass programme of new council housing for all who want and need it, making first class council housing a tenure of choice**
- **A moratorium on further stock transfer, sell-offs or PFI**